TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT, dated as of _______, 2013 (this "<u>Agreement</u>"), is by and between Bristlecone Broadcasting LLC ("<u>Buver</u>") and Sinclair Communications, LLC ("<u>Sinclair</u>").

WITNESSETH:

WHEREAS, Buyer and Sinclair have entered into that certain Asset Purchase Agreement, dated as of [______], 2013 (the "Purchase Agreement");

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Buyer desires that Sinclair provide certain transition services to Buyer after the Closing with respect to WSYT-TV, Syracuse, New York and WNYS-TV, Syracuse, New York (collectively, the "<u>Station</u>");

WHEREAS, Sinclair has agreed to provide, independently or through other parties providing services to Sinclair, the Transition Services (as herein defined) to Buyer upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual terms, conditions and agreements set forth herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 <u>Reference to Purchase Agreement</u>. All capitalized terms used but not specifically defined in this Agreement have the meanings assigned to them in the Purchase Agreement.

ARTICLE II

SERVICES

- 2.1 <u>Services to be Provided by Sinclair</u>. On the terms and subject to the conditions set forth herein, Sinclair shall provide, independently or through other parties providing services to Sinclair, to Buyer the transition services described on <u>Schedule A</u> attached hereto ("<u>Transition Services</u>"). Any functions, responsibilities, activities or tasks that are not specifically described in this Agreement or on Schedule A, but that (i) are reasonably required for the proper performance and delivery of the Transition Services and (ii) are a necessary or inherent part of the Transition Services, shall be deemed to be implied by and included within the scope of the Transition Services (subject to any limitations set forth in this Agreement or on Schedule A) to the same extent and in the same manner as if specifically described in this Agreement or Schedule A, as applicable.
- 2.2 <u>Cooperation</u>. Buyer and Sinclair shall cooperate with each other in all reasonable respects in the performance by Sinclair of the Transition Services. Buyer further agrees to provide Sinclair with all necessary traffic information required to provide the Transition

Services. Buyer will provide such traffic information in a format that is already converted to Sinclair's then-current master control system.

ARTICLE III

COMPENSATION

3.1 Service Fees.

- (a) The fees payable to Sinclair for each Transition Service as of the date hereof (the "Service Fees") shall be based on the pro rata portion of the monthly cost estimate (pro rated for partial months) of such Transition Service, as set forth on Schedule B attached hereto. At the end of each month during the Term, Sinclair shall send to Buyer an invoice setting forth the Service Fees for the prior month. Buyer shall pay any Service Fees due and payable on such invoice within 15 business days following the receipt of such invoice.
- (b) Should Buyer dispute any portion of the amount due on any invoice or require any adjustment to an invoiced amount, Buyer shall notify Sinclair in writing of the nature and basis of the dispute and or adjustment as soon as reasonably possible. The parties shall use commercially reasonable efforts to resolve the dispute prior to the payment due date.
- (c) For purposes of clarity, in addition to the payment of Service Fees as set forth in Section 3.1(a) and (b), Buyer shall reimburse Sinclair for all costs, fees and charges paid by Sinclair to third parties in accordance with the terms and conditions of the applicable contract as in effect on the Closing Date in connection with performing the applicable Transition Services (other than those specifically listed as being included on Schedule B).
- With respect to any dispute regarding the determination, assessment or payment of Service Fees that cannot be resolved by the parties to their mutual satisfaction within a reasonable period of time, the parties hereby irrevocably consent and agree that such dispute shall be fully and finally resolved by binding arbitration in accordance with the rules and practices of the American Arbitration Association ("AAA") from time to time in force and effect. Such arbitration shall be administered by the AAA under its commercial arbitration rules and the parties agree to venue in Wilmington, Delaware. Any determination made during such arbitration shall be final and binding on each party and their affiliates, successors and assigns, and judgment thereon may be entered in any court of competent jurisdiction. One (1) arbitrator shall be used unless the damages alleged or the amounts in controversy alleged are in excess of one hundred thousand dollars (\$100,000.00) in which case three (3) arbitrators shall be used. The arbitrator(s) shall have continuing jurisdiction to implement its or their decision. Each party shall initially be responsible for its own costs and attorney's fees, and shall share the expenses of the arbitration equally; provided, however, that the arbitrator(s) may award such portion of the expenses of the arbitration, costs and reasonable attorney's fees to the substantially prevailing party as they may deem just and equitable. The Federal Arbitration Act shall govern all proceedings brought hereunder.

ARTICLE IV

COVENANTS

- 4.1 <u>Compliance with Laws</u>. Each party shall comply, at its own expense, with the provisions of all applicable municipal requirements and those state and federal laws that may be applicable to the performance of this Agreement, including the performance of the Transition Services hereunder.
- 4.2 <u>Performance</u>. The Transition Services shall be provided with substantially the same degree of care, skill, and prudence, and at the same level and with the same frequency that Sinclair and its affiliates uses in the operation of their own broadcast television stations and in a manner consistent with the operation of the Station in the ordinary course during the ninety (90) day period prior to the Closing, including with respect to the timing of such services. The Transition Services shall be provided in a workmanlike and professional manner.
- 4.3 <u>Personnel</u>. Sinclair agrees that the Transition Services to be performed by it or on its behalf will be performed by individuals in a manner providing quality at standards consistent with the provisions of Section 4.2.
- 4.4 <u>Books and Records</u>. All financial records regarding the Transition Services shall be maintained in accordance with generally accepted accounting principles consistently applied.
- 4.5 <u>Disclaimer</u>. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT OR THE PURCHASE AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, STATUTORY, EXPRESS OR IMPLIED, REGARDING THE SERVICES. EACH PARTY EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE AND TITLE.

ARTICLE V

TERM AND TERMINATION

5.1 Term of Provision of Transition Services and Access. Subject to the terms of this Article 5, Sinclair shall provide the Transition Services through and until the 180th day after the Closing Date. Upon three (3) business days prior notice to Sinclair, Buyer may request that Sinclair eliminate one or more categories of Transition Services provided to the Station, provided that Buyer shall not be entitled to eliminate a specific sub-service for the Station unless it eliminates all services within such category. For purposes of clarification, the group of items under the headings [IT/Engineering, G&A, Traffic, Programming and Web/Digital] shall be deemed "categories" for purposes of the preceding sentence. In the event of such a request, Sinclair shall provide to Buyer a revised estimate of the Service Fees relating to such Transition Services, which shall be reasonable in relation to any such reduction of Transition Services (the "Revised Service Fees"), and such reduction shall become effective if and when Sinclair agrees in writing to the Revised Service Fees.

5.2 <u>Termination by Mutual Consent</u>. This Agreement may be terminated by the mutual written consent of Sinclair and Buyer.

5.3 Other Termination.

- (a) Either Sinclair, on the one hand, or Buyer, on the other hand (the "<u>Initiating Party</u>") may terminate this Agreement in its entirety by notice in writing to Buyer or Sinclair, as the case may be, on or at any time after the other party is in material breach of any of its obligations under this Agreement; provided, that no such termination shall take effect unless and until (if the breach is capable of remedy) the party receiving such notice has failed to remedy the breach within fifteen (15) days of receipt of notice in writing from the Initiating Party giving particulars of the breach in reasonable detail and requiring the other party to remedy the breach.
- (b) Without prejudice to the other rights or remedies Sinclair may have, Sinclair may terminate this Agreement with immediate effect by notice in writing to Buyer if Buyer fails to pay for a period of more than 15 days any sum due and payable to Sinclair in accordance with Section 3.1 hereof.
- (c) All rights and obligations of Sinclair and Buyer shall cease to have effect immediately upon termination of this Agreement except that termination shall not affect the accrued rights and obligations of Sinclair and Buyer at the date of termination and Articles VI, VII and VIII shall survive expiration or termination of this Agreement.

ARTICLE VI

INDEMNIFICATION

- 6.1 <u>Indemnity</u>. To the extent not prohibited by law, and except as otherwise provided in this Agreement, each party shall indemnify and hold harmless the other Party and its Affiliates and its and their officers, directors, employees and agents ("<u>Indemnified Parties</u>") from and against any and all costs, expenses (including, without limitation, reasonable attorneys' fees), losses, claims, suits, actions, or liabilities (collectively, "<u>Losses</u>") in any way caused by or arising from (a) an act or omission to act constituting gross negligence or willful misconduct of the indemnifying party or its employees, agents or contractors or (b) the indemnifying party's infringement, misappropriation or other conflict with any Intellectual Property of any third party in connection with the provision of the Transition Services by the indemnifying party.
- 6.2 <u>Limitation on Liability</u>. The sole and exclusive remedy at law (other than with respect to claims involving fraud) for any claim (whether such claim is framed in tort, contract or otherwise) arising out of a breach of any representation, warranty, covenant, agreement or undertaking in or pursuant to this Agreement shall be a claim for actual damages, which claims are independent of and in addition to any equitable rights or remedies. Notwithstanding anything to the contrary in this Agreement, except for payment obligations under this Agreement and claims relating to Section 6.1(a) or (b) hereof, in no event shall the aggregate liability of a party exceed an amount equal to the aggregate payments made by Buyer to Sinclair for Transition

Services (minus the amounts paid by Sinclair to third parties in connection with performing the applicable Transition Services) pursuant to this Agreement for the period preceding the date of such event giving rise to indemnification hereunder. IN NO EVENT SHALL ANY PARTY IN ANY CASE BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, OR LOST PROFITS, ARISING FROM ANY CLAIM RELATING TO BREACH OF THIS AGREEMENT OR OTHERWISE RELATING TO ANY OF THE TRANSITION SERVICES PROVIDED HEREUNDER, UNLESS AND TO THE EXTENT SUCH DAMAGES ARE PAYABLE TO A THIRD PARTY.

ARTICLE VII

CONFIDENTIALITY

7.1 <u>Confidentiality</u>. Buyer and Sinclair shall hold all confidential or proprietary information obtained in connection with the provision by Sinclair of the Transition Services or receipt by Buyer of the Transition Services and relating to Sinclair's or Buyer's business ("<u>Confidential Information</u>") confidential. The receiving party shall not disclose any Confidential Information of the disclosing party to any third party unless the receiving party is legally compelled to disclose such information, in which event the disclosing party shall provide the receiving party with written notice of such legal compulsion to disclose.

ARTICLE VIII

MISCELLANEOUS

- 8.1 <u>Independent Entities</u>. In providing the Transition Services hereunder, Sinclair will act solely as an independent contractor and nothing in this Agreement will constitute or be construed to be or create a partnership, joint venture, or principal/agent between Sinclair, on the one hand, and the Buyer, on the other, and neither party shall enter into any agreement or commitment which is binding on the other.
- 8.2 <u>Headings</u>. Article and Section headings in this Agreement are included herein for convenience of reference only and shall in no way restrict or affect the interpretation of any provision hereof.
- 8.3 <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall, taken together, be considered one and the same agreement.
- 8.4 <u>Governing Law</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. Except as otherwise provided in Section 3.1(d), any dispute hereunder shall be resolved in accordance with the provisions of the Purchase Agreement.
- 8.5 <u>No Third Party Beneficiaries</u>. This Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

- 8.6 <u>Assignment</u>. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. No party may assign this Agreement without the express prior written consent of the other party.
- 8.7 Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior written and oral agreements between the parties regarding the subject matter of this Agreement. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.
- 8.8 <u>Severability</u>. If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law.
- 8.9 <u>Other Agreements</u>. Nothing contained in this Agreement is intended to amend or modify in any respect the rights and obligations of the parties to the Purchase Agreement.
- 8.10 Order of Precedence. To the extent that any provision contained in this Agreement conflicts with, or cannot logically be read in accordance with, any provision of the Purchase Agreement, the provision contained in the Purchase Agreement will prevail.
- 8.11 Force Majeure. A party will not be liable to the other for any delay or failure of the party to perform its obligations hereunder if such delay or failure arises from any cause or causes beyond the reasonable control of the nonperforming party. Such causes will include, but are not limited to, acts of God, floods, fires, loss of electricity or other utilities, or delays by the other party in providing required resources or support. Any party unable to perform its obligations as a result of such cause shall immediately provide the other party written notice indicating the expected duration of such nonperformance.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

SINCLAIR COMMUNICATIONS, LLC

By: Sinclair Television Group, Inc., its sole member
By:
Name: David B. Amy
Title: Secretary

BRISTLECONE BROADCASTING LLC

By:		
Name:		
Title:		

SCHEDULE A

TRANSITION SERVICES

Engineering/IT

IT/ ENGINEERING SUPPORT

WIDE AREA NETWORK MANAGEMENT

LOCAL AREA NETWORK SUPPORT

INTERNET ACCESS

ROUTER SYSTEM SUPPORT

INTERNET FIREWALL SUPPORT

VPN & SITE-SITE SUPPORT

WEB FILTER SUPPORT

SPAM FILTER SUPPORT

ANTI-SPYWARE SUPPORT

ANTI-VIRUS SUPPORT

EMAIL SYSTEM SUPPORT

FTP SERVICE SUPPORT

PSIP GENERATOR SUPPORT

FILE SHARES

ACTIVE DIRECTORY SYSTEM SUPPORT

DESKTOP SUPPORT

SOFTWARE LICENSING MANAGEMENT

TRAFFIC SYSTEM HOSTING

SALES AVAIL SYSTEM HOSTING

WINDOWS UPDATE SERVICE

Programming

Create and maintain program schedules for stations

Alert stations/traffic/operations of any program changes

Create and maintain hub satellite record and playback schedule

Coordinate with Engineering and Traffic, all programming and paid programming as it relates to the preparation process prior to air

Coordinate program formats with traffic dept

Coordinate quarterly paid avails and inventory needs with stations

Supply information for stations as needed for viewer inquiries.

Traffic

Provide support services for Sales, Programming, Accounting, and Promotions.

Log preparation and finalization

Receipt and entry of all new commercials, daily instruction of client commercials

Assist Sales Manager with inventory management

Programming verification and entry through programming grids provided by the Programming Manager

New client entry

<u>G&A</u>

Revenue Cycle:

A/R & Cash – monitoring of receivables, processing of cash receipts, monitoring bank account

Collections – national and local collections of accounts

Credit – managing credit and new client processing

Billing – periodic invoicing, manual and electronic, notarization

Log Reconciliation – As Run and Traffic log comparison/resolution

Web/Digital

Web Design and Administration Digital Interactive

Buyer agrees, if required by Sinclair (in its sole discretion), to be connected, and to receive certain Transition Services through, Sinclair's Wide Area Network and/or Sinclair's existing fiber connection.

SCHEDULE B

SERVICE FEES*

[REDACTED]